



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
TE/GE – EO Mandatory Review  
1100 Commerce Street, MC 4920-DAL  
Dallas, TX 75242

May 8, 2008

Number: 200833025

Release Date: 8/15/2008

EO

LEGEND

ORG = Organization name

XX = Date

Address = address

UIL: 501.03-01

ORG

ADDRESS

Employer Identification Number:

Person to Contact:

Identification Number:

Contact Telephone Number:

In Reply Refer To:

TE/GE Review Staff

**LAST DAY FOR FILING A**

**PETITION WITH TAX COURT:**

June 6, 20XX

**CERTIFIED MAIL**

Dear :

This is a final adverse determination that you do not qualify for exemption from income tax under section 501(a) of the Internal Revenue Code (I.R.C.) as an organization described in I.R.C. section 501(c)(3). Internal Revenue Service recognition of your status as an organization described in I.R.C. section 501(c)(3) is revoked, effective January 1, 20XX. Our adverse determination is made for the following reason(s):

You have not established you are operated exclusively for charitable, educational, scientific, or religious purposes because you failed to comply with the IRS's requests for information to determine if you still qualify for tax exempt status under IRC 501(c)(3).

Contributions made to you are no longer deductible as charitable contributions by donors for purposes of computing taxable income for Federal income tax purposes. See Rev. Proc. 82-39 1982-2 C.B. 759, for the rules concerning the deduction of contributions made to you between January 1, 20XX and the date a public announcement, such as publication in the Internal Revenue Bulletin, is made stating that contributions to you are no longer deductible.

You are required to file income tax returns on Form 1041 and 1120 for all years beginning after December 31, 20XX. Returns for the years ending December 31, 20XX, December 31, 20XX, December 31, 20XX and December 31, 20XX must be filed with this office within

60 days from the date of this letter, unless a request for an extension of time is granted. Send such returns to the following address:

Tax returns for subsequent years are to be filed with the appropriate Campus identified in the instructions for those returns.

If you decide to contest this determination under the declaratory provisions of section 7428 of the Code, a petition to the United States Tax Court, the United States Claims Court, or the district court of the United States for the District of Columbia must be filed before the 91<sup>st</sup> day after the date this determination was mailed to you. Please contact the clerk of the appropriate court for rules regarding filing petitions for declaratory judgment. You may write to the United States Tax Court at the following address:

The processing of income tax returns and assessment of any taxes due will not be delayed because a petition for declaratory judgment has been filed under I.R.C. section 7428.

If you have questions about this letter, please write to the person whose name and address are shown on this letter. If you write, please attach a copy of this letter to help identify your account. Keep a copy for your records. Also, please include your telephone number and the most convenient time for us to call, so we can contact you if we need additional information.

You also have the right to contact the office of the Taxpayer Advocate. However, you should first contact the person whose name and telephone number are shown above, since this person can access your tax information and can help you get answers. You can call 1-877-777-4778 and ask for Taxpayer Advocate assistance. Or you can contact the Taxpayer Advocate office located nearest you by calling

Taxpayer Advocate assistance cannot be used as a substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determinations, nor extend the time fixed by law that you have to file a petition in the United States Tax Court. The Taxpayer Advocate, can, however, see that a tax matter, that may not have been resolved through normal channels gets prompt and proper handling.

We will notify the appropriate State officials of this action, as required by I.R.C. section 6104(c).

This is a final revocation letter.

Sincerely,

Marsha A Ramirez  
Director, EO Examinations

Enclosures:  
Publication 892



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
Mail Stop 1112  
PO Box 12307  
Ogden, UT 84412

LEGEND

ORG = Organization name      XX = Date      Address = address

UIL: 501.03-01

ORG

DATE OF THIS NOTICE:

ADDRESS

CONTACT PERSON/ID NUMBER:

CONTACT TELEPHONE NUMBERS:

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Employer Identification Number:

Tax Period(s):

Dear :

Based on our records, your organization has been contacted upon several occasions regarding delinquent Form(s) 990, *Return of Organizations Exempt From Income Tax*, that were not filed for the tax period(s) referenced above. To date, the requested returns have not been received.

Failure to file a timely return can result in the assessment of a penalty imposed by IRC section 6652(c)(1). That penalty results in the imposition of a \$ per day penalty, (\$ per day for organizations having gross receipts exceeding \$) for each tax year that is filed late and does not include a written statement explaining the cause for filing late.

An exempt organization's failure to file required information returns or comply with the Internal Revenue Code (Code) and applicable regulations is grounds for termination of the organization's tax exempt status. We have enclosed a copy of our report of examination explaining why we believe revocation of your exempt status under section 501(c)(3) of the Internal Revenue Code is necessary.

If you accept our findings, please sign and return the enclosed Form 6018, *Consent to Proposed Adverse Action*. We will then send you a final letter revoking your exempt status. If we do not hear from you within 30 days from the date of this letter, we will process your case based on the recommendations shown in the report of examination and this letter will become final. In that event, you will be required to file federal income tax returns (Form(s) 1120) for the tax period(s) shown above. File these returns with the Ogden Service Center within 60 days from the date of this letter, unless a request for an extension of time is granted. File returns for later tax years with the appropriate service center indicated in the instructions for those returns

If you do not agree with our proposed revocation, you must submit to us a written request for Appeals Office consideration within 30 days of this letter to protest our decision. Your protest should include a statement of the facts, the applicable law, and arguments in support of your position.

An Appeals officer will review your case. The Appeals office is independent of the Director, EO Examinations. The Appeals Office resolves most disputes informally and promptly. The enclosed Publication 3498, *The examination Process*, and Publication 892, *Exempt Organizations Appeal Procedures for Unagreed Issues*, explain how to appeal an Internal Revenue Service (IRS) decision. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process. If you request a conference, we will forward your written statement of protest to the Appeals Office and they will contact you.

If you and Appeals do not agree on some or all of the issues after your Appeals conference, or if you do not request an Appeals conference, you may file suit in United States Tax Court, the United States Court of Federal Claims, or United States District Court, after satisfying procedural and jurisdictional requirements as described in Publication 3498.

You may also request that we refer this matter for technical advice as explained in Publication 892, *Exempt Organization Appeal Procedures for Unagreed Issues*. If a determination letter is issued to you based on technical advice, no further administrative appeal is available to you within the IRS on the issue that was the subject of the technical advice.

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free 1-877-777-4778 and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,

Jeff Francis  
Revenue Agent

**Enclosures:**  
Publication 892  
Publication 3498  
Form 6018  
Report of Examination (F886-A)

Form <b>886-A</b> (Rev. January 1994)	<b>EXPLANATIONS OF ITEMS</b>		Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended	
ORG	December 31, 20XX		

**LEGEND**

ORG = Organization name      XX = Date      Address = address

**Issue Name:** Tax Exempt Status under IRC 501(c)(3)

**Per Return:** Private Foundation

**Per Exam:** Taxable Corporation

**Issue:** Tax Exempt Status under 501(c)(3) of the Internal Revenue Code

**Issue:** Whether exempt organization qualifies for exemption under Section 501(c)(3) of the Internal Revenue Code.

**Facts:** ORG is a private foundation under IRC 501(c)(3). Filing requirements for a private foundation are an annual return (Form 990PF) filed annually with no minimum gross receipt criteria. Exhibit A provides copies of the Internal Revenue Service correspondence requesting that Exempt Organization file the Form 990PF for the tax period ending December 31, 20XX-20XX. Exempt Organization failed to respond to the Internal Revenue Service correspondence or file the Forms 990PF for the tax periods named above.

**Law:** Section 6001 of the Code provides that every person liable for any tax imposed by the Code, or for the collection thereof, shall keep adequate records as the Secretary of the Treasury or his delegate may from time to time prescribe.

**Section 6033(a)(1)** of the Code provides, except as provided in section 6033(a)(2), every organization exempt from tax under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts and disbursements, and such other information for the purposes of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

**Section 1.6001-1(a)** of the regulations in conjunction with section 1.6001-1(c) provides that every organization exempt from tax under section 501(a) of the Code and subject to the tax imposed by section 511 on its unrelated business income must keep such permanent books or accounts or records, including inventories, as are sufficient to establish the amount of gross income, deduction, credits, or other matters required to be shown by such person in any return of such tax. Such organization shall also keep such books and records as are required to substantiate the information required by section 6033.

Form <b>886-A</b> (Rev. January 1994)	<b>EXPLANATIONS OF ITEMS</b>		Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended	
ORG	December 31, 20XX		

**Section 1.6001-1(e)** of the regulations states that the books or records required by this section shall be kept at all times available for inspection by authorized internal revenue officers or employees, and shall be retained as long as the contents thereof may be material in the administration of any internal revenue law.

**Section 1.6033-1(h)(2)** of the regulations provides that every organization which has established its right to exemption from tax, whether or not it is required to file an annual return of information, shall submit such additional information as may be required by the district director for the purpose of enabling him to inquire further into its exempt status and to administer the provisions of subchapter F (section 501 and the following), chapter 1 of the Code and section 6033.

**Rev. Rul. 59-95, 1959-1 C.B. 627**, concerns an exempt organization that was requested to produce a financial statement and statement of its operations for a certain year. However, its records were so incomplete that the organization was unable to furnish such statements. The Service held that the failure or inability to file the required information return or otherwise to comply with the provisions of section 6033 of the Code and the regulations which implement it, may result in the termination of the exempt status of an organization previously held exempt, on the grounds that the organization has not established that it is observing the conditions required for the continuation of exempt status.

In accordance with the above cited provisions of the Code and regulations under sections 6001 and 6033, organizations recognized as exempt from federal income tax must meet certain reporting requirements. These requirements relate to the filing of a complete and accurate annual information (and other required federal tax forms) and the retention of records sufficient to determine whether such entity is operated for the purposes for which it was granted tax-exempt status and to determine its liability for any unrelated business income tax.

**Taxpayer's position:** The taxpayer was sent Letter 3618 certified on May 31, 20XX. On June 3, 20XX a person who was involved with the organization signed the return receipt. After extensive research no other contact could be found and no reply was given as a result of the letter proposing revocation.

**Conclusion:** It is the IRS's position that the organization failed to meet the reporting requirements under sections 6001 and 6033 to be recognized as exempt from federal income tax under 501(c)(3) of the Internal Revenue Code. Also from previous contacts with the organization the contacted persons indicated that the organization was no longer active. Accordingly, the organization's exempt status is revoked effective January 1, 20XX.

Form 1120 returns should be filed for the tax periods ending December 31, 20XX.